



ARIZONA DEPARTMENT OF ECONOMIC SECURITY

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Jane Dee Hull
Governor

John L. Clayton
Director

June 12, 2001

WORKFORCE INFORMATION MEMO #03-01

SUBJECT: State Incentive Policy for Local Workforce Investment Areas (LWIAs) under the Workforce Investment Act

REFERENCE: Section 134(a)(2)(B)(iii) of the Workforce Investment Act (WIA) of 1998; Section 665.200(e)(1)(2)(3) of WIA Final Rules dated August 11, 2000

BACKGROUND: Under the Workforce Investment Act, states and local areas are provided flexibility to implement workforce development strategies to serve the needs of the labor market. To encourage continued development and refinement of such activities, WIA requires that incentive grants be made available to local areas. In Arizona, a portion of the state's 10% set-aside funds has been earmarked for incentive awards to local areas demonstrating exemplary performance and coordination activities under WIA.

The state offers two methods through which WIA incentive funds will be awarded for the WIA program year beginning July 1, 2000 and ending June 30, 2001. Method I requires LWIAs to display exemplary performance outcomes with respect to negotiated performance measures. LWIAs that exceed these performance levels will be eligible for an incentive award. Thirty percent (\$334,816) of the state's total incentive award (\$1,116,052) will be distributed based on Method I activities, and Method I awards will be made by December 31, 2001. Attachment II of this memo details the 30% incentive allocations per LWIA.

Seventy percent (\$781,236) of the state's total incentive award (\$1,116,052) will be distributed based on Method II activities. Attachment III details the 70% incentive allocations per LWIA. Method II requires LWIAs to demonstrate exemplary cooperation among local boards and/or local coordination of activities under the WIA law and its corresponding regulations. The criteria for Method II incentive awards were developed by a work group consisting of state and federal staff. The group researched practices common to effective programs, including those established within the Malcolm Baldrige framework and the Promising and Effective Practices Network (PEPNet). The result is an incentive application format that enables local areas to share a wealth of information

about initiatives and processes that promote collaborative linkages at all levels within their organizations. It also facilitates a close examination of continuous improvement efforts in terms of data collection, funding, and understanding the needs of the local business community.

Each local area's maximum award amount for Method I and Method II is equal to its formula allocation for WIA Title IB Adult, Youth, and Dislocated Workers. However, any local area receiving less than 3% of the in-state formula allocation will be allocated a minimum of 3% of the incentive distribution for Method I and Method II awards.

Attachment I of this memo contains comprehensive instructions needed by LWIAs to apply for incentive funding based on Method II criteria. Application materials must be submitted to the Arizona Department of Economic Security, Workforce Development Administration no later than 5:00 p.m. on September 28, 2001. Applications submitted after the deadline will not be accepted.

ACTION REQUIRED: Each local area is strongly encouraged to apply for available incentive funds. Please review the attached documentation and submit the required information by the deadline noted above.

If you have questions regarding the application procedure, please contact Ms. Gwen LeaMon, MIS Specialist at (602) 542-2492 or your quality assurance liaison at (602) 542-3957.

Sincerely,

A handwritten signature in black ink that reads "Stan Flowers". The signature is written in a cursive, flowing style.

Stan Flowers
Acting Deputy Program Administrator
Workforce Development Administration

SF:PG:ra

Attachments (3)